

**Fraser Valley Watersheds Coalition**  
**Financial Statements**  
*June 30, 2020*  
*(Unaudited)*

# Independent Practitioner's Review Engagement Report

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To the Board of Fraser Valley Watersheds Coalition:

We have reviewed the accompanying financial statements of Fraser Valley Watersheds Coalition that comprise the statement of financial position as at June 30, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Fraser Valley Watersheds Coalition as at June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## *Comparative Information*

Without modifying our conclusion, we draw attention to Note 3 to the financial statements which describes that Fraser Valley Watersheds Coalition adopted Canadian accounting standards for not-for-profit organizations on June 30, 2019 with a transition date of July 1, 2018. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at June 30, 2019 and at July 1, 2018, and the statements of operations, changes in net assets and cash flows for the year ended and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

## *Other Matter*

The financial statements of Fraser Valley Watersheds Coalition previously issued for the period ended June 30, 2019 were prepared under a notice to reader engagement by a certified professional bookkeeper. These financial statements were not reviewed or audited and, therefore, do not express any level of assurance.

Chilliwack, British Columbia

September 24, 2020

*MNP LLP*

Chartered Professional Accountants


# Fraser Valley Watersheds Coalition Statement of Financial Position

*As at June 30, 2020  
(Unaudited)*

	<b>June 30 2020</b>	<i>June 30 2019 (Unreviewed) (Restated)</i>	<i>July 1 2018 (Unreviewed)</i>
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents <i>(Note 4)</i>	568,365	477,381	415,824
Accounts receivable <i>(Note 7) (Note 13)</i>	111,337	50,671	43,068
Restricted cash <i>(Note 5)</i>	10,213	9,471	4,690
	<b>689,915</b>	537,523	463,582
<b>Capital assets</b> <i>(Note 6)</i>	<b>3,095</b>	3,662	3,662
	<b>693,010</b>	541,185	467,244
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accruals <i>(Note 8), (Note 13)</i>	57,426	28,876	4,807
Deferred contributions <i>(Note 9), (Note 13)</i>	178,057	119,082	88,916
Funds held in trust <i>(Note 10)</i>	10,213	9,471	4,690
	<b>245,696</b>	157,429	98,413
<b>Significant event</b> <i>(Note 11)</i>			
<b>Net Assets</b>			
Net assets, end of year <i>(Note 12)</i>	447,314	383,756	368,831
	<b>693,010</b>	541,185	467,244

Approved on behalf of the Board of Directors

David Urban Digitally signed by David Urban  
Date: 2020.09.25 13:41:55 -07'00'  
Director

  
Director

# Fraser Valley Watersheds Coalition

## Statement of Operations and Changes in Net Assets

*For the year ended June 30, 2020  
(Unaudited)*

	2020	2019 <i>(Unreviewed) (Restated)</i>
<b>Revenue</b>		
Project Funds <i>(Note 13)</i>	1,018,846	682,839
Donations	57,180	2,457
Memberships	200	58
Interest	411	485
Administrative revenue	529	235
	1,077,166	686,074
<b>Expenses</b>		
Administrative	529	235
Accounting & Legal	10,229	1,679
Advertising	265	2,524
Bank charges and interest	1,018	1,525
Contracted services	577,062	269,203
Field Materials & Supplies	88,532	108,481
Insurance	5,090	1,879
Meetings	2,172	1,656
Membership fees	154	-
Office supplies	7,289	2,016
Salaries and benefits <i>(Note 13)</i>	301,879	269,220
Telephone	3,070	2,103
Training and education expense (recovery)	(1,001)	1,643
Travel	17,319	8,986
	1,013,607	671,150
<b>Excess of revenue over expenses</b>	<b>63,559</b>	14,924
<b>Net assets, beginning of year, as previously stated</b>	<b>318,510</b>	243,097
<b>Correction of an error <i>(Note 13)</i></b>	<b>65,245</b>	125,735
<b>Net assets, beginning of year, as restated</b>	<b>383,755</b>	368,832
<b>Net assets, end of year</b>	<b>447,314</b>	383,756

*The accompanying notes are an integral part of these financial statements*

**Fraser Valley Watersheds Coalition**  
**Statement of Cash Flows**  
*For the year ended June 30, 2020*  
*(Unaudited)*

	<b>2020</b>	<i>2019</i> <i>(Unreviewed)</i> <i>Restated</i>
<hr/>		
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	<b>63,559</b>	14,924
Disposal of tangible capital assets	<b>567</b>	-
	<hr/> <b>64,126</b>	<hr/> 14,924
Changes in working capital accounts		
Accounts receivable	<b>(60,667)</b>	(7,601)
Accounts payable and accruals	<b>28,550</b>	24,069
Deferred contributions	<b>58,975</b>	30,166
Funds held in trust	<b>742</b>	4,781
	<hr/> <b>91,726</b>	<hr/> 66,339
<b>Increase in cash resources</b>	<b>91,726</b>	66,339
<b>Cash resources, beginning of year</b>	<b>486,852</b>	420,513
	<hr/> <b>578,578</b>	<hr/> 486,852
<b>Cash resources, end of year</b>	<b>578,578</b>	486,852
<hr/>		
<b>Cash resources are composed of:</b>		
Cash	<b>568,365</b>	477,381
Restricted cash	<b>10,213</b>	9,471
	<hr/> <b>578,578</b>	<hr/> 486,852
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*The accompanying notes are an integral part of these financial statements*

# Fraser Valley Watersheds Coalition

## Notes to the Financial Statements

For the year ended June 30, 2020  
(Unaudited)

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### 1. Purpose of the Organization

Fraser Valley Watersheds Coalition (the "Organization") is registered as a charity under the Income Tax Act and as such is exempt from income taxes. In order to maintain its status as a registered charity under the Act, the Organization must meet certain requirements within the Act. In the opinion of management, these requirements have been met. The Organization works to promote healthy watersheds in the Fraser Valley by facilitating understanding and action in the local communities.

### 2. Impact of adopting accounting standards for not-for-profit organizations

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended June 30, 2020, the comparative information for the year ended June 30, 2019, and the opening ASNPO statement of financial position as at July 1, 2018 (the Organization's date of transition to ASNPO).

The transition to ASNPO has not affected the statement of financial position, statement of operations or statement of cash flows previously reported under Canadian generally accepted accounting principles (GAAP).

### 3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada using the following significant accounting policies:

#### ***Basis of presentation***

The Organization receives funding from government and non-profit societies in addition to contributions from individual sponsors. The Organization does not believe there is reason to expect the funding to stop and as such has presented the financial statements on the going concern basis.

#### ***Revenue recognition***

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### ***Project funding***

The Organization recognizes project funding as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A project fund transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Organization recognizes revenue as the liability is settled.

#### ***Other revenue***

Other revenue derived from such sources as donations, memberships, interest income, etc., is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### ***Contributed materials***

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

#### ***Cash and cash equivalents***

Cash and cash equivalents include balances with banks and short-term investments. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

# Fraser Valley Watersheds Coalition

## Notes to the Financial Statements

For the year ended June 30, 2020  
(Unaudited)

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### 3. Significant accounting policies (Continued from previous page)

#### Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Equipment	declining balance	30 %

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Project funds receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in excess of revenues and expenses in the periods in which they become known.

#### Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

#### Financial asset impairment

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess (deficiency) in the year the reversal occurs.

## Fraser Valley Watersheds Coalition Notes to the Financial Statements

*For the year ended June 30, 2020  
(Unaudited)*

### 4. Cash and cash equivalents

	2020	2019 <i>(Unreviewed)</i>
Bank Accounts	401,146	477,381
GIC's	167,219	-
	<b>568,365</b>	477,381

### 5. Restricted cash

Restricted cash is comprised of funds held on behalf of Cultus Lake Aquatic Stewardship Strategy (See Note 10).

### 6. Capital assets

	2020 <i>Cost</i>	2020 <i>Net book value</i>	2019 <i>(Unreviewed) Net book value</i>
Equipment	3,095	3,095	3,662

### 7. Accounts receivable

	2020	2019 <i>(Unreviewed)</i>
Project funds receivable	89,927	33,574
GST rebates	21,410	17,097
	<b>111,337</b>	50,671

### 8. Accounts payable and accruals

	2020	2019 <i>(Unreviewed)</i>
Vacation and banked time payable	42,847	24,091
Accrued liabilities	8,628	1,628
Payroll tax payable	5,274	2,538
WCB payable	677	619
	<b>57,426</b>	28,876



# Fraser Valley Watersheds Coalition

## Notes to the Financial Statements

*For the year ended June 30, 2020  
(Unaudited)*

### 9. Deferred contributions

Deferred contributions consist of unspent contributions designated for specific project per the terms of the contract agreements. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2020	2019 <i>(Unreviewed)</i>
Balance, beginning of year	119,082	88,916
Amount received during the year	58,975	30,166
Balance, end of year	178,057	119,082

### 10. Funds held in trust

During the year, the Organization held \$10,213 (2019 - \$9,471) on behalf of Cultus Lake Aquatic Stewardship Strategy Organization for future projects related to preserving the ecological health of Cultus Lake.

### 11. Significant event

During the year, there was a global outbreak of the COVID-19 virus, which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

### 12. Net assets

	2020	2019 <i>(Unreviewed)</i>
Restricted net assets	345,668	283,018
Internally restricted net assets	101,646	100,738
	447,314	383,756

### 13. Correction of an error

During the year, the Organization determined that in 2018, accounts receivable was understated by \$35,025, deferred contributions was overstated by \$95,399 and funds held in trust was understated by \$4,690. The impact of this correction has resulted in an increase to accounts receivable of \$35,025, decrease of deferred contributions of \$95,399, an increase in funds held in trust of \$4,690, and increase in closing net assets of \$125,735.

During the year, the Organization determined that in 2019, accounts receivable was understated by \$33,574, deferred contributions was overstated by \$65,233, funds held in trust was understated by \$9,471, accruals for banked time and vacation time were understated by \$14,941 and \$9,150 respectively, and salaries and benefits was understated by \$24,091. The impact of this correction has resulted in an increase in accounts receivable by \$33,574, decrease of deferred contributions of \$65,233, increase in funds held in trust by \$9,471, increase in accruals for banked time and vacation time accruals totaling \$24,091, and increased salaries and benefits expense by \$24,091 for the adjustment to banked time and vacation time accruals. This resulted in an increase in closing net assets of \$65,245.

# Fraser Valley Watersheds Coalition

## Notes to the Financial Statements

*For the year ended June 30, 2020*  
*(Unaudited)*

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### 14. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

**Fraser Valley Watersheds Coalition**  
**Schedule 1 - Schedule of Administration Revenues and Expenses**

*For the year ended June 30, 2020*  
*(Unaudited)*

	2020	2019 <i>(Unreviewed)</i>
<b>Revenue</b>		
Donations	56,056	1,522
Administrative revenue	529	235
Interest	379	477
Memberships	200	58
	<b>57,164</b>	<b>2,292</b>
<b>Expenses</b>		
Accounting & Legal	10,229	1,679
Advertising	265	2,524
Bank charges and interest	1,018	1,525
Contracted services	346	-
Field Materials & Supplies	568	158
Insurance	5,090	1,879
Meetings	814	496
Membership fees	154	-
Office supplies	7,289	2,016
Salaries and benefits	68,272	83,810
Telephone	98	105
Travel	498	6
	<b>94,641</b>	<b>94,198</b>
<b>Deficiency of revenue over expenses</b>	<b>(37,477)</b>	<b>(91,906)</b>

**Fraser Valley Watersheds Coalition**  
**Schedule 2 - Schedule of Project Revenues and Expenses**

*For the year ended June 30, 2020*  
*(Unaudited)*

	<b>2020</b>	2019 <i>(Unreviewed)</i>
<b>Revenue</b>		
Project Funds	<b>1,018,846</b>	682,839
<b>Expenses</b>		
Contracted services	<b>576,666</b>	269,153
Field Materials & Supplies	<b>87,964</b>	108,324
Meetings	<b>1,244</b>	1,079
Salaries and benefits	<b>233,607</b>	185,410
Telephone	<b>2,972</b>	1,998
Training and education expense (recovery)	<b>(1,001)</b>	1,643
Travel	<b>16,822</b>	8,980
	<b>918,274</b>	576,587
<b>Excess of revenue over expenses</b>	<b>100,572</b>	106,252

**Fraser Valley Watersheds Coalition**  
**Schedule 3 - Schedule of CLASS Revenues and Expenses**

*For the year ended June 30, 2020*  
*(Unaudited)*

	<b>2020</b>	2019 <i>(Unreviewed)</i>
<b>Revenue</b>		
Donations	<b>1,123</b>	935
Interest	<b>32</b>	8
	<b>1,155</b>	943
<b>Expenses</b>		
Administrative	<b>529</b>	235
Meetings	<b>114</b>	80
Contracted services	<b>50</b>	50
	<b>693</b>	365
<b>Excess of revenue over expenses</b>	<b>462</b>	578